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In the Supreme Court of the United States

No. . . . . .

OCTOBER TERM, 1951.

JOSEPH L. SWITZER and RICHARD A. WARD,

Petitioners,

vs.

JOHN A. MARZALL,
Commissioner of Patents,
Respondent.

PETITION FOR WRIT OF CERTIORARI

To the United States Court of Appeals for the District of Columbia Circuit.

To the Honorable the Chief Justice and Associate Justices of the Supreme Court of the United States:

Your petitioners, Joseph L. Switzer and Richard A. Ward, respectfully pray that a writ of certiorari issue to the United States Court of Appeals for the District of Columbia Circuit to review a decision entered June 6, 1951 in Appeal No. 10,985 of that Court (Record, p. 228). Transcript of the record in the case, including the proceedings in the Court of Appeals, is furnished herewith in accordance with Rule 38 of this Court.

I. SUMMARY STATEMENT OF THE MATTER INVOLVED.

The parties and proceedings hereinbelow.

This is a case arising out of a bill in equity filed by petitioners under Section 4915, Revised Statutes of the United States, United States Code, Title 35, § 63 (hereinafter referred to as "R. S. 4915").

Your petitioners duly filed in the United States Patent Office on February 13, 1942, an application for United States patent for "Fluorescent Textiles," Serial No. 430,792. A patent on said application was refused and, no appeal to the Court of Customs and Patent Appeals having been taken under Sections 4911-14 Revised Statutes of the United States, United States Code, Title 35, §§ 59a-62 (hereinafter "R. S. 4911-14"), petitioners brought suit on February 14, 1949 to obtain a patent on said application under R. S. 4915. The suit was brought in the United States District Court for the District of Columbia against Lawrence C. Kingsland, for whom respondent, as the succeeding Commissioner of Patents, was substituted during the pendency of the suit.

On December 13, 1950, the District Court entered findings of fact, conclusions of law, and a decree authorizing respondent to issue petitioners a patent on said application. (Record, pp. 17-20.) The findings of fact and conclusions of law were, in substance, a bare paraphrase and restatement of the memorandum opinion of the District Court entered on November 27, 1950 (Record, pp. 13-16; *Switzer et al. v. Marzall,* 94 F. Supp. 52).

On January 30, 1951, respondent filed in the District Court a "Motion to Obtain Relief from Decree" (i.e., a motion for a new trial on allegedly newly-discovered evidence furnished to respondent through an attorney for a fabric vendor not a party to the suit. *Switzer et al. v. Marzal,* 96 F. Supp. 332, 333, Appendix to this petition, pp. vii, viii-ix). On February 8, 1951 there appeared in the trade press a report of an interview with the solicitor for respondent in which there appeared the statement that respondent intended to appeal to the Court of Appeals from the District Court's decree and a statement of reasons for the appeal not yet filed (Record, p. 218B). On Feb-

ruary 9, 1951, respondent did file notice of appeal from the District Court's decree of December 13, 1951 (Record, p. 21).

On March 2, 1951, the District Court denied respondent's motion for a new trial on the ground of divestiture of jurisdiction resulting from respondent's filing of an appeal. But in so dismissing respondent's motion, the District Court suggested a procedure by which the allegedly newly discovered evidence could be brought to the attention of the District Court in the interests of justice, namely, a motion that the District Court seek a remand of the case from the Court of Appeals (*Switzer et al. v. Marzall*, 95 F. Supp. 721, 723, Appendix to this petition, pp. i, vi). Respondent so moved, but the District Court denied respondent's motion on the ground that respondent's allegedly newly discovered evidence was inadequate, on its merits, to warrant a new trial and, therefore, inadequate to warrant the District Court to ask the Court of Appeals for a remand. (*Switzer et al. v. Marzall*, 96 F. Supp. 332, Appendix to this petition, pp. vii to xi.)

Having thus exhausted all available remedies in the District Court, respondent completed the filing of his appeal to the Court of Appeals below while, and even yet, failing to comply with the District Court's Decree of December 13, 1950 or to apply for supersedeas of the decree.

On May 4, 1951, petitioners moved in the Court of Appeals for summary dismissal of respondent's appeal on the broad grounds that (a) the District Court's decree of December 13, 1950 was interlocutory as to respondent, and thus, the Court of Appeals was without jurisdiction, under 28 U. S. C. 1291 and 1292, to hear the appeal, or (b) the decision and decree of the District Court was, under decisions of this Court, conclusive upon respondent. (Record, pp. 205, 207.) During the pendency of peti-

tioners' motion for summary dismissal of the appeal, respondent, under Rule 17 of the Court below, filed a statement of questions to be presented on appeal, revealing that respondent was appealing only as to the merits of the District Court's decision and findings. No questions as to procedural law were raised, but only substantive questions were presented (Record, pp. 204-205, fol. 206).

On June 6, 1951 the Court of Appeals below entered a *per curiam* decision, without opinion, denying petitioners' motion for summary dismissal of respondent's appeal (Record, p. 228). No hearing on the merits of respondent's appeal has been held in the Court below. Nor have petitioners filed their brief in the Court below or filed the completed record in the District Court as an appendix thereto.

II. JURISDICTION OF THIS COURT.

Petitioners respectfully submit that this Court has jurisdiction, under Article III, Section 2 of the Constitution and the United States Code, Title 28, Section 1254 (1) to review the order of the Court of Appeals below denying petitioners' motion to dismiss respondent's appeal. This case in equity arises out of and involves questions of interpretation of several laws of the United States, as set forth in the following questions presented:

III. QUESTIONS PRESENTED.

In denying petitioners' motion to dismiss respondent's appeal in the Court below, the Court appears to leave unanswered several questions of substantial general interest:

(1) Is a decision against respondent in an action filed as a bill in equity under R. S. 4915, where, as here, that decision was based upon the facts in the case as the facts appeared to the trial Court, an interlocutory decision as to respondent or a final decision?

If the trial Court's decision below was merely an interlocutory decision as to respondent (which petitioners contend), the Court of Appeals below is not, under 28 U. S. C. 1291, 1292, clothed with jurisdiction to consider respondent's appeal.

(2) Whether the decision of a District Court in an action brought under R. S. 4915 is final or not as to respondent, is such a decision, as contrasted with a judicial judgment, an administrative decision which is conclusive upon respondent?

(3) Is not the provision of R. S. 4915 that "all expenses of the proceedings shall be paid by applicant whether the final decision is in his [the patent applicant's] favor or not," repugnant to any concept that respondent is empowered to appeal from a decision of the District Court under R. S. 4915 which found petitioners entitled to a patent on their invention, especially in view of the Administrative Procedure Act, 5 U. S. C. 1008 (d), empowering reviewing courts to grant relief pending review and to preserve rights pending conclusion of the review proceedings "upon such conditions as may be required and to the extent necessary to prevent irreparable injury"?

(4) In (a) presenting on behalf of a fabric vendor, who is a stranger to the action, evidence which the District Court found inadequate on its face in a motion for new trial, in (b) his solicitor's commenting to the trade press on action to be taken in this litigation prior to the taking of such action, and in (c) resisting the authorization to issue a patent to petitioners after such authorization had been decreed by the District Court, has not respondent thereby become an opposing party to petitioners and, thus, by becoming an opposing party, effectively withdrawn from his capacity as Commissioner of Patents in a case arising under R. S. 4915?

IV. REASONS RELIED ON FOR ALLOWANCE OF THE WRIT.

It is respectfully submitted that the foregoing questions presented call for review by this Court. Petitioners' reasons for seeking such review appear to be of the character outlined in Rule 38, sub-section 5(b) and 5(c), of the Rules of this Court. With respect to each of the foregoing questions presented:

(1) *Hoover v. Coe*, 325 U. S. 79 holds that a decision by the District Court in an R. S. 4915 proceeding is final when the decision is adverse to the applicant. But in so holding, this Court further pointed out that such a decision, *if favorable to the applicant*, and adverse to the Commissioner of Patents, *is not a final decision* but subject to further proceedings in the Patent Office.

The Court below apparently did not apply the foregoing effect of the *Hoover* case to the factual situation presented here, where the judgment of the District Court was favorable to applicant-petitioners. If the judgment below was not final, but merely interlocutory as to further proceedings in the Patent Office, the Court below is without jurisdiction under 28 U. S. C. 1291 and 1292 to consider respondent's appeal.

(2) The Court below did not give proper effect to decisions of long standing in this Court, such as

(a) *Butterworth v. Hoe*, 112 U. S. 50, 60 and *Postum Cereal Co. v. California Fig Nut Co.*, 272 U. S. 693, 699, which hold that decisions under R. S. 4911-14 are conclusive upon the Commissioner and,

(b) *Gandy v. Marble*, 122 U. S. 432, 440, which holds that a decision under R. S. 4915 is, *equally with decisions under R. S. 4911-14*, conclusive upon the Commissioner of Patents and govern his further actions; *American Foun-*

dries v. Robertson, 262 U. S. 209, 213, which holds to the same effect, and *Hoover Co. v. Coe, supra,* which reaffirms the effect of this Court's decision in the *Gandy* case.

If the Court below had considered the two groups of cases together, it is submitted that it would not have held in effect, by denying petitioners' motion to dismiss, that a judgment under R. S. 4915 is not conclusive on the Commissioner of Patents and that the two statutes, R. S. 4911-14 and R. S. 4915, have different effects in so far as they govern further actions by respondent following decisions under the alternative statutory methods of reviewing a refusal of the Patent Office to grant a patent.

(3) As far as petitioners are aware, no Court has reconciled the conflict which must arise between R. S. 4915 and 28 U. S. C. 1912 and the "Relief Pending Review" section of the Administrative Procedure Act, 5 U. S. C. 1008 (d), if, as the Court below has apparently assumed, respondent does have a right to question the facts in the case as they appeared to the District Court in an R. S. 4915 proceeding. (For convenience, these three statutes are set forth in the Appendix to this petition at pages xii and xiii.)

It is petitioners' position that the mandate in R. S. 4915 providing that, regardless of the outcome of the proceedings, the applicant must bear *all* expenses, is a clear indication of Congressional intent that respondent is conclusively governed by an adverse judgment on the merits of the case, particularly in the light of subsequent statutes which empower appellate courts to exercise their discretion in awarding damages for delay and costs to a prevailing party as well as to issue process necessary to prevent irreparable injury. Petitioners are suffering irreparable injury as a consequence of the delay resulting

from the review sought by respondent; nothing under the law can compensate petitioners for damages lost and injunctive relief postponed by delay in issuance of the patent to which they have been adjudged entitled.

If petitioners' view is correct, review by this Court is necessary in order that error in the Court below may be reversed.

(4) No court, as far as petitioners are aware, has sanctioned conduct employed by respondent in this case in opposing issuance of a patent after a decision favorable to applicants. Nor has any court, as far as petitioners are aware, construed the provisions of R. S. 4915 which make a distinction between respondent, in his official capacity, and a party who is "opposing" or "adverse."

In presenting evidence prepared at the request of an attorney for a fabric vendor not a party to the action and, through his solicitor, announcing in the trade press his intention to further oppose issuance of an authorized patent, the Commissioner of Patents has taken a most unusual course of action and petitioners fear that respondent is engrafting on to actions under R. S. 4915 patent opposition proceedings which Congress has never sanctioned. Certainly the procedure of questioning the merits of a judgment under R. S. 4915 by appeal is an extraordinary if not an outright arbitrary procedure without justifiable precedent. As the then Commissioner of Patents was quoted in the *Hoover* case at 325 U. S. 88:

> " 'In the usual case, following such adjudication, [under R. S. 4915] the application is allowed and, upon payment of the prescribed fee, the patent is issued. However, in rare instances where, after termination of the suit, a new reference is discovered which shows lack of patentability of the claims for a reason not considered by the court, this Office con-

siders itself under a duty to reject the claims on the newly discovered ground, and to refuse a patent on those claims unless the applicant can overcome the new ground of rejection. Similarly, if another applicant or a patentee is claiming substantially the same subject matter as that held patentable in the Rev. Stat. 4915 suit and a question of priority arises, interference proceedings may be necessary under Rev. Stat. 4904 to determine which of the adverse claimants is the first inventor * * *. The foregoing is believed to have been the consistent practice of this Office for many years.' " (Omission by the Court.)

WHEREFORE, your petitioners respectfully pray that a writ of certiorari be issued out of and under the seal of this Court, directed to the Court of Appeals for the District of Columbia Circuit, commanding that Court to certify and send to this Court on a day certain to be therein designated, full and complete transcripts of the records and all proceedings in said Court of Appeals in this case, to the end that said cause may be reviewed and determined by this Court as provided by law, and that your petitioners may have such other and further relief or remedy in the premises as to this Court may seem appropriate and that said order of said Court of Appeals may be reversed by this Honorable Court.

JOSEPH L. SWITZER AND RICHARD A. WARD,
Petitioners,

By ALBERT L. ELY,
Counsel for Petitioners.

BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI.

OPINIONS BELOW, JURISDICTIONS, QUESTIONS PRESENTED AND CONCISE STATEMENT OF THE FACTS.

The petition herein is believed to contain a sufficient statement of the facts herein, the opinions below, the jurisdiction of this Court and the questions presented.

SPECIFICATION OF ERRORS.

The errors intended to be urged are that:

The Court of Appeals for the District of Columbia Circuit erred in not dismissing summarily respondent's appeal in this case on any one of the following grounds:

(1) The Court below was without jurisdiction to consider respondent's appeal from an interlocutory decision of the District Court.

(2) The decision of the District Court in the proceedings herein under R. S. 4915 was, as a decision under R. S. 4911-14, conclusive upon respondent and not to be questioned by him but to govern all further proceedings in the matter.

(3) The concept that respondent might appeal from a judgment under R. S. 4915 is repugnant to provisions of the statutes and would create an irreconcilable conflict between the mandate of R. S. 4915 as to expenses to be borne by petitioners and the authority of the Courts to exercise their jurisdiction as provided in 5 U. S. C. 1008 (d) and 28 U. S. C. 1912.

(4) The conduct of respondent in becoming an opposing party to petitioners is an *ultra vires* action under R. S. 4915.

ARGUMENT.

(1) Lack of Jurisdiction in the Court Below.

The Court below is clothed with jurisdiction as to respondent's appeal, if at all, by virtue of 28 U. S. C. 1291 and 1292. Section 1292 permits the Court to assume jurisdiction of certain specified interlocutory decisions of the District Court, such as injunctions, receivership orders, admiralty matters, and civil actions for patent infringement; the instant case does not fall in any such classes, if the decision from which respondent appealed is an interlocutory decision. Section 1291 permits the Court below to assume jurisdiction as to a final decision of the District Court below it. If the Court below has jurisdiction as to respondent's appeal, such jurisdiction turns on whether or not the decision and decree of the District Court below was final or merely interlocutory.

A decision is final only if it is final as to all the parties, the whole subject matter, and all the causes of action involved. *Arnold v. United States for Use of Guimarin & Co.*, 263 U. S. 429; *Southland Industries, Inc. v. Federal Communications Commission*, 99 F. 2d 117, 118. In criminal as well as civil cases, a judgment is "final" for purposes of appeal when it terminates the litigation and leaves nothing to be done but to enforce by execution what has been determined. *Berman v. U. S.*, 302 U. S. 211.

> "A final decree or judgment is one which puts an end to the controversy between the parties litigant. If the decision leaves some matter involved in the controversy open for further hearings and determination before ultimate rights of the parties are conclusively adjudicated, it is interlocutory and not final." *Merriman v. Chicago, etc., R. Co.*, 64 F. 535. *Beighle v. LeRoy*, 94 F. 2d 30 [C. C. A. 3, 1938].

Because the District Court below remanded the case to the Patent Office for further proceedings (Marzall R. p. 20), in which proceedings in the Patent Office new references could be cited or interference declared, the decision from which respondent appealed to the Court below clearly is not a "final" decision.

The interlocutory nature of a decision of the District Court in a decision *in favor of* an applicant was perhaps best brought out by this Court in *Hoover Co. v. Coe,* 325 U. S. 79, in which this Court held final and appealable a decision of the District Court *adverse to* an applicant.

The *Hoover* case repeatedly points out the hybrid nature of an R. S. 4915 decision, (a) interlocutory and not final if adverse to the Commissioner, (b) final and, therefore, appealable if adverse to the patent applicant. This seems to be brought out in the passage directing the Court below to assume appellate jurisdiction of a District Court decision adverse to the applicant despite the fact further proceedings in the Patent Office following the appellate court's decision might nullify the appellate court's reversal of the District Court's decision. This Court stated in the *Hoover* case at 325 U. S. 88-89:

> "4. This court has repeatedly indicated a view of the meaning of R. S. 4915 which is inconsistent with the decision below[24] although the exact question here presented was not involved in the cases under adjudication. The lower federal courts have consistently construed the section as conferring jurisdiction in

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[24] *Gandy v. Marble,* 122 U. S. 432, 439;
In re Hien, 166 U. S. 432, 439;
Frasch v. Moore, 211 U. S. 1, 8-9;
American Steel Foundries v. Robertson, 262 U. S. 209, 212-213;
United States ex rel. Baldwin Co. v. Robertson, 265 U. S. 168, 180-181.

cases which are indistinguishable from that at bar.[25] They have so held in cases where it affirmatively appeared that further proceedings in the Patent Office would be necessary following adjudication in favor of the applicant,[26] and where though it did not appear of record that further proceedings would be required in the Patent Office, it was evident that they might ensue adjudication, as where a patent was denied for want of invention.[27] And where an applicant has succeeded in a bill filed under R. S. 4915, the courts have not questioned the power of the Patent Office subsequently to disallow the claims for want of invention over a newly discovered reference to the prior art.[28]"

The Court below does not appear to have applied to this case the teaching of the *Hoover* case as to the finality or lack of finality of a District Court's judgment in a suit under R. S. 4915, depending upon the party in whose favor the judgment ran. In the *Hoover* case, the patent applicant's suit having been dismissed, the Court below was presented with an appeal from a decision which was final as to the issue raised by the bill in equity filed by the

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[25] *Dilg v. Moore*, 34 App. D. C. 106;
E. I. duPont de Nemours & Co. v. Coe, 68 F. 2d 412;
Power Patents Co. v. Coe, 110 F. 2d 550;
Tully v. Robertson, 19 F. 2d 954;
Monopower Corp. v. Coe, 33 F. Supp. 934;
Booth Fisheries Corp. v. Coe, 114 F. 2d 462;
Forward Process Co. v. Coe, 116 F. 2d 946.

[26] *Pittman v. Coe, supra*;
International Cellucotton Co. v. Coe, 85 F. 2d 869;
American Cyanamid Co. v. Coe, 106 F. 2d 851.

[27] *American Steel & Wire Co. v. Coe*, 105 F. 2d 17;
Abercrombie v. Coe, 119 F. 2d 458;
General Motors Corp. v. Coe, 120 F. 2d 736;
Radtke Patents Corp. v. Coe, 122 F. 2d 937;
Hydraulic Press Corp. v. Coe, 124 F. 2d 521;
Minnesota Mining & Mfg. Co. v. Coe, 125 F. 2d 198;
Poulsen v. McDowell, 142 F. 2d 267.

[28] *Gold v. Newton*, 254 F. 824.

applicant, namely, the right of the applicant to a patent on the application in suit. In this case, the decision from which the Commissioner seeks to appeal is not final as to the right of petitioners to a patent on the application in suit; as pointed out in the *Hoover* case, that issue, despite the determination of the District Court in favor of petitioners, is subject to further proceedings in respondent's own bureau.

(2) Judgment Below Conclusive Upon Respondent.

Regardless of whether the District Court's decision from which respondent has appealed is final or interlocutory, in refusing to dismiss respondent's apeal the Court below does not apear to have applied other aspects of decisions of this Court, which cannot be dismissed as mere *dicta*.

In the *Hoover* case this Court went to substantial lengths to discuss the legislative history of the two methods by which a patent applicant can receive a review of proceedings in the Patent Office. One method is by a summary appeal (now to the Court of Customs and Patent Appeals) under R. S. 4911-14; in such an appeal, the decision of the reviewing court is based upon the record of the proceedings in the Patent Office. The other method is by a bill in equity under R. S. 4915, commenced as a trial *de novo* in which testimony of witnesses is heard and other evidence may be submited in addition to the Patent Office Record.

It has been repeatedly established in this Court beyond any cavil that the decision of the reviewing Court in proceedings under R. S. 4911-14 are conclusive upon the Commissioner of Patents and the decision governs all further actions of the Commissioner. As stated by this Court in *Butterworth v. Hoe*, 112 U. S. 50, 60:

> "It is evident that the appeal thus given to the Supreme Court of the District of Columbia from the decision of the Commissioner, is not the exercise of ordinary jurisdiction at law or in equity on the part of that court, but is one step in the statutory proceeding under the patent laws whereby that tribunal is interposed in aid of the Patent Office, though not subject to it. *Its adjudication,* though not binding upon any who choose by litigation in courts of general jurisdiction to question the validity of any patent thus awarded, *is, nevertheless, conclusive upon the Patent Office itself,* for as the statute declares, Rev. Stat. §4914, it 'shall govern the further proceedings in the case.' *The Commissioner cannot question it. He is bound to record and obey it.*" (Emphasis supplied.)

The above holding as to the conclusive effect of a decision under R. S. 4911-14 upon the Commissioner has never been challenged. See *Postum Cereal Co. v. California Fig Nut Co.*, 272 U. S. 693, 699 and the intervening decisions cited therein.

In addition to so holding that review by proceedings under R. S. 4911-14 are conclusive upon the Commissioner, this Court has also held with equal positiveness that the effect of adjudication under R. S. 4915 is precisely the same as a decision under R. S. 4911-14.

Shortly after its decision on the effect of a decision under R. S. 4911-14 in *Butterworth v. Hoe, supra,* this Court, with respect to R. S. 4915, stated in *Gandy v. Marble,* 122 U. S. 432, 440:

> "The decision of the court on a bill in equity becomes, equally with the judgment of the Supreme Court of the District of Columbia on a direct appeal under §4911, the decision of the Patent Office and is to govern the action of the Commissioner."

This Court's decision in *Gandy v. Marble, supra,* is also quoted at length in *American Foundries v. Robertson,* 262 U. S. 209, 213.

And most recently in the *Hoover* case, Justice Roberts, after comparing the language of the two statutes, stated (325 U. S. 84):

> "On the face of the statutes the applicant is given alternative remedies resulting in the same sort of relief so far as concerns the further prosecution of the application in the Patent Office.
>
> "2. The legislative history confirms the view that Congress so intended." (325 U. S. 70, 84.)

Continuing after a review of the legislative history, Justice Roberts further stated (325 U. S. 87-88):

> "Thus, it is clear that throughout more than a century Congress has for *correction of erroneous adverse rulings, which if unreversed would end the proceedings in the Patent Office,* preserved the remedy by bill in a District Court [R. S. 4915] either as additional to or alternative to that by summary appeal [R. S. 4911-14] *and has made the effect of adjudication in equity the same as that of decision on appeal.*" (325 U. S. 79, 87-88—emphasis supplied.)

Though no one decision of this Court holds that the Court below should have dismissed respondent's appeal as to the merits of the adjudication of petitioners' right to a patent on the application in suit, the foregoing authorities appear to come as close as possible to such a holding without specifically spelling it out.

(3) The Action of the Court Below Creates a Conflict Between Statutes.

If it is conceivable that the Commissioner of Patents is entitled to appeal from a judgment on the merits of a case brought under R. S. 4915, then there is an apparent conflict between (a) the provision of R. S. 4915 that all expenses in the proceeding are to be borne by the patent applicant where the bill in equity is served on the Commissioner, and, (b) the provision in the later Administrative Procedure Act authorizing the reviewing Court to issue such process during appeal as may be necessary to prevent irreparable injury—5 U. S. C. 1008 (d). The 1948 Judicial Code, 28 U. S. C. 1912, further authorizes this Court or a Court of Appeals in its discretion upon affirmance, to "adjudge to the prevailing party just damages for his delay, and single or double costs." Yet the foregoing provision of R. S. 4915 in question would prevent a court from exercising the authority subsequently and expressly granted to it by Congress, i.e. either to issue process during appeal to prevent irreparable injury or to award just damages for a prevailing appellee's delay and appropriate costs. To exercise such authority would do violence to the provision of the patent statutes, R. S. 4915, that *all* expenses *shall* be borne by the applicant whether he prevails in the proceedings or not. Petitioners are aware of no decisions which resolve the conflict which would arise between R. S. 4915, making it mandatory for the applicant to assume all expenses in a proceedings, and later statutes authorizing the Courts to use their process and discretion to prevent appellees from being injured during review proceedings instituted by Governmental agencies, if one is to assume, *arguendo* that respondent has a right to appeal from the decision of the District Court below.

It is evident from the record that petitioners are being injured, and irreparably so, by respondent's effort to appeal the judgment of the District Court below. Only unless respondent proved to be infallible in every appeal taken by him from an adverse R. S. 4915 decision will applicants be free of liability of suffering irrecoverable costs and expenses, both of respondent and the applicants, in appeals so taken by the respondent. And as shown by the record (Record, pp. 216 to 218B) petitioners are faced with unlicensed use of their invention at the present time. And so long as the patent to which petitioners were adjudged entitled is withheld from issuance by respondent, such unlicensed users of applicants' invention are free even of liability for infringement and enjoy an unjust advantage over petitioners' licensees who have recognized the patentability of petitioners' invention.

As pointed out in the petition, the assumption that respondent (without direct or indirect responsibility for possible errors in appealing), may appeal from a decision under R. S. 4915 creates a conflict between statutes obviously not intended to be created by Congress. Even in the absence of subsequent statutes, the concept that respondent might seek review without liability for error and subject patent applicants to the burden of expenses which they do not consent to assume is repugnant not only to the principles of equity, under which an R. S. 4915 action proceeds, but also to the Fifth Amendment, which safeguards patent applicants, as persons, from being deprived of their property without due process of law.

(4) Ultra Vires Action.

In addition to containing a provision that applicants must assume the expenses of a proceeding under R. S. 4915, an unusual provision unless such proceedings are administrative rather than judicial, R. S. 4915 makes a further unusual distinction between respondent and the usual parties to litigation. Following the sentences providing for filing of a bill in equity and an adjudication if in favor of the patent applicant "authorizing" (rather than compelling) the Commissioner to issue a patent on the application in suit, the statute goes on to state:

> "In all cases where there is *no opposing party* a copy of the bill shall be served on the Commissioner; * * *." (R. S. 4915, emphasis supplied.)

In short, in the eyes of Congress, the position of the Commissioner before the Court in an R. S. 4915 proceeding was not even that of an opposing party, for where there are opposing or "adverse" parties, Congress provided that matters of costs and expenses involved were to be subject to such terms and conditions as the Court might impose. The power of the Commissioner to proceed in R. S. 4915 suits which arise out of *ex parte* proceedings in the Patent Office would seem, therefore, to be limited to those proceedings in which the Commissioner acts, not as a hostile opposing party, but as an administrative officer governed by the "tribunal interposed in aid of the Patent Office."

Conduct of respondent in refusing, as an administrative officer, to accept the findings of the District Court as conclusive upon him, therefore, marks, under *Gandy v. Marble, supra*, his action in taking the appeal below as an *ultra vires* action. Further, in accepting a stranger's affidavit prepared by an attorney for a party not involved in the suit and presenting such material as a ground for new

trial without any corroborating evidence on respondent's part (see *Switzer et al. v. Marzall*, 96 F. Supp. 332, 333), respondent raises a doubt as to whether he thereafter continued as an administrative officer and the real party in interest. Respondent's obsequious action certainly placed petitioners in the position of contending not only with respondent but also with parties whom petitioners could not reach in the R. S. 4915 proceedings. And, finally, respondent's solicitor announced to the trade press (Record, p. 218B), rather than in official publications, respondent's intent to file the appeal herein for the purpose of obtaining review of the aforesaid material if the District Court did not grant a new trial. This surely was the act of an extremely hostile opposing party, not an administrative officer.

As pointed out in the petition, the conduct of the proceedings below since shortly prior to expiration of respondent's appeal period is certainly extraordinary and contrary to the established procedure of the Patent Office as stated in the *Hoover* case at 325 U. S. 88. Indeed the proceedings have acquired all the ear-marks of an opposition proceedings to be undertaken prior to respondent's compliance with the decree of the District Court. Such opposition proceedings are common in foreign patent proceedings and have been adopted in trademark registration proceedings, though with limits requiring the disclosure of interest by the party instituting the opposition proceedings. So far Congress has resisted efforts to engraft opposition proceedings onto the patent statutes of this country.

For the foregoing reasons, it is respectfully requested that the questions raised by the instant case be reviewed by this Court. The first two questions raised above reveal that respondent is attempting to embark upon additional

proceedings under R. S. 4915 which certainly have not been sanctioned by this Court and appear to have been disapproved. The last two questions raised above, unless reviewed and answered by this Court, will leave petitioners and all future patent applicants uncertain as to the extent of liabilities they assume in proceeding under R. S. 4915 as well as to the extent to which they may expect hostile action by respondent which may be inspired by parties which the applicants cannot reach in R. S. 4915 proceedings.

Respectfully submitted,

ALBERT L. ELY,

Counsel for Petitioners.

APPENDIX A.

Decision on Motion for New Trial in Switzer et al. v. Marzall, Commissioner of Patents, 95 F. Supp. 721.

Civ. No. 597-49.

United States District Court
District of Columbia.

March 2, 1951.

Joseph L. Switzer and another sued John A. Marzall, Commissioner of Patents, for issuance of letters patent. On defendant's motion for relief from a decree authorizing issuance of letters to plaintiffs, 94 F. Supp. 52. The District Court, Keech, *J.*, held that the federal civil procedure rule authorizing relief from final judgment on ground of newly discovered evidence does not permit filing or determination of motions in the trial court while the cause is pending in the appellate court, so that the district court had no jurisdiction to entertain defendant's motion after he filed a notice of appeal to the Court of Appeals.

Order denying motion.

1. An appeal by Commissioner of Patents from decree authorizing issuance of letters patent was perfected on his filing of notice of appeal, as official acting for agency for United States is not required to file appeal bond. 28 U. S. C. A. § 2408.

2. Two courts cannot have jurisdiction of same case at same time.

3. On perfection of appeal from decree, lower court is ousted of its jurisdiction.

4. The federal civil procedure rule, authorizing relief from final judgment on ground of newly discovered evidence not discoverable by due diligence in time to move for new trial and providing that motion for such relief shall not

effect finality of judgment or suspend its operation, contemplates motions in cases where trial court has jurisdiction and does not permit filing or determination of motions in trial court while cause is pending in appellate court. Fed. Rules Civ. Proc. rules 59(b), 60(b), 28 U. S. C. A.

5. The district court has no jurisdiction to entertain motion for relief from decree, authorizing issuance of letters patent by Commissioner of Patents, after his filing of notice of appeal to Court of Appeals from such decree. Fed. Rules Civ. Proc. rule 60(b), 28 U. S. C. A.

Albert L. Ely, Jr., Cleveland, Ohio, Bacon & Thomas, Washington, D. C., for plaintiffs.

E. L. Reynolds, Solicitor, U. S. Patent Office, Joseph Schimmel, Washington, D. C., for defendant.

KEECH, District Judge.

The question before the Court is whether it has jurisdiction to entertain defendant's "Motion to Obtain Relief from Decree."

Briefly, the chronology of this case is as follows:

December 13, 1950, the decree authorizing issuance to plaintiff of letters patent was signed.

January 30, 1951, defendant filed his motion for relief from the decree on the ground of newly discovered evidence (an alleged anticipation by the prior art, of which defendant was ignorant at the time of trial) under Rule 60(b), Federal Rules of Civil Procedure, 28 U. S. C. A.

February 2, the Court approved a stipulation by the parties that plaintiff's time to file opposition to the motion be extended to and including February 12, as counsel had previously agreed.

The Assignment Commissioner, being without knowledge of the stipulation until February 5, notified the par-

ties that the motion would be set for oral argument on February 9, and on learning of the stipulation reset the motion for February 16.

[1] February 10, 1951, two days short of the 60-day appeal period, defendant filed a notice of appeal to the United States Court of Appeals for the District of Columbia from the decree of December 13, 1950. Since an official acting for an agency of the United States is not required to file an appeal bond, 28 U. S. C. A. § 2408, the defendant's appeal herein was perfected on his noting of appeal.

When the motion came on for hearing, the Court raised the question whether the defendant by noting his appeal had divested the trial court of jurisdiction to act on his pending motion.

[2, 3] The basic rule is that two courts cannot have jurisdiction of the same case at the same time, and that on perfecting of appeal the lower court is ousted of its jurisdiction. Draper v. Davis, 102 U. S. 370, 26 L. Ed. 121; Keyser v. Farr, 105 U. S. 265, 26 L. Ed. 1025; Goldsmith v. Valentine, 35 App. D. C. 299; Lasier v. Lasier, 47 App. D. C. 80.

This principle was followed in Wagner v. Meccano, Ltd., 6 Cir., 235 F. 890, and Mossberg v. Nutter, 1 Cir., 124 F. 966, patent cases in which the defeated party sought to reopen the proceedings in the trial court after perfecting an appeal, and in which the trial court was held without jurisdiction to reopen while the cases were pending on appeal.

The basic rule was not changed by adoption of the Federal Rules of Civil Procedure. In Radtke v. American Tri-Ergon Corp., 71 App. D. C. 375, 114 F. 2d 15, it was held that the District Court was without jurisdiction to enter an order after appeal had been perfected and after the Court of Appeals had obtained exclusive jurisdiction;

citing Lasier v. Lasier and Keyser v. Farr, supra. Prior to the amendments of the Federal Rules of Civil Procedure, which became effective in March, 1948, the general view was that after notice of appeal was filed the district court had no authority to proceed further except in aid of the appeal. Miller v. United States, 7 Cir., 114 F. 2d 267; Jordan v. Federal Farm Mortgage Corp., 8 Cir., 152 F. 2d 642, certiorari denied 328 U. S. 852, 66 S. Ct. 1339, 90 L. Ed. 1624; Schram v. Safety Inv. Co., D. C., 45 F. Supp. 636.

[4] The question therefore narrows down to whether the principle has been modified by the 1948 amendments to the Federal Rules, particularly Rule 60(b).

Rule 60(b), as amended, provides that the court may relieve a party from a final judgment on the ground (among others) of newly discovered evidence which by due diligence could not have been discovered in time to move for a new trial under Rule 59(b), that the motion shall be made not more than one year after the judgment was entered, and that such motion shall not affect the finality of a judgment or suspend its operation.

In Daniels v. Goldberg, D. C., 8 F. R. D. 580, 581, it is stated: "The amendments to the Rules specifically give to the district court power to act in certain instances after an appeal has been filed, Rules 60(a) and 73(a), but none of these confer on a district court the power to vacate a judgment after an appeal has been filed."

The only case cited by either counsel which was decided subsequent to the 1948 amendments on the question of the power of the trial court to act, after appeal, on a motion filed in the trial court prior to appeal, is Secretary of Banking of Pennsylvania v. Alker, 3 Cir., 183 F. 2d 429. There a motion to substitute the State Secretary of Banking as plaintiff was filed and argued prior to not-

ing of an appeal, but the order granting the motion was not signed until after the appeal had been taken. It was held by the Third Circuit that the district court had no right to act on the motion, having lost jurisdiction of the case when appeal was filed.

Defendant admits that the rule is abundantly clear that the trial court has no power to consider a motion to vacate judgment under Rule 60(b) if filed after notice of appeal, but contends that where a proper and timely motion is filed in the trial court prior to filing of an appeal, the trial court retains jurisdiction to pass on such motion. Defendant argues, "To say to such litigant who has filed a timely motion under Rule 60(b) that the preservation of his right to appeal by the subsequent filing of a notice of appeal deprives him of the right to be heard on his motion under Rule 60(b) is to emasculate and to destroy completely the whole spirit and intent of the rules. If that be the interpretation to be placed upon the rules, then the right presumably given any defeated litigant to move for relief from a final judgment within a reasonable time, provided by Rule 60(b), becomes one reserved only for those litigants who do not appeal. It is earnestly submitted that no such interpretation should be placed upon the rule and that the Court should adopt a liberal attitude so as to give effect to the obvious intent of the rules to do justice in the premises."

This Court is unable to see why it is any more unjust to deprive the litigant who has filed a motion to vacate judgment under Rule 60(b) and then noted his appeal, of a determination on such motion, than it is to deprive a litigant of his right to file any motion to vacate under Rule 60(b) after he has noted an appeal. Defendant's arguments would seem equally applicable to both cases, and yet defendant recognizes, without objection, that the trial court is without jurisdiction in the latter situation.

The provision of Rule 60(b) that, "A motion under this subdivision (b) does not affect the finality of a judgment or suspend its operation," was included in the rule before the 1948 amendment; and it has not been interpreted as changing the general rule that the trial court is without authority to act once it has been divested of jurisdiction by taking of an appeal. It is the view of this court that Rule 60(b) contemplates motions in cases where the trial court has jurisdiction, that it does not permit the filing or determination of motions in the trial court while the cause is pending in the appellate court, and that there is no reasonable basis for any other conclusion.

The trial court's divestiture of jurisdiction while a case is on appeal is founded on practical, common sense considerations. As stated by our Court of Appeals in Goldsmith v. Valentine, supra, the effect of an order of the court below while a case is on appeal "might, and probably would, render futile the appeal taken. Such situation cannot, of course, be permitted. The parties to the appeal are entitled to have the status quo maintained during its pendency."

It should be pointed out that defendant is not without means in the instant situation to obtain consideration of his alleged newly discovered evidence by the trial court, in the interest of justice; but such consideration must be obtained in an orderly manner. In prior cases where the same situation has arisen, the moving party has applied to the trial court to request a remand of the case by the appellate court, in order that further testimony may be received.

[5] Counsel for plaintiff will prepare an order denying defendant's motion for relief from the decree.

APPENDIX B.

Decision on Motion for District Court to Apply to Court of Appeals to Permit District Court to Grant New Trial, Switzer et al. v. Marzall, Commissioner of Patents, 96 F. Supp. 332.

Civ. A. No. 597—49.

United States District Court,
District of Columbia.

March 16, 1951.

The United States District Court for the District of Columbia rendered a decision granting issuance of a patent to Joseph L. Switzer and Richard A. Ward on November 22, 1950. Thereafter John A. Marzall, Commissioner of Patents, moved the trial court to apply to the Court of Appeals for remand for purpose of taking further testimony. The District Court, Richmond B. Keech, *J.*, held that the newly discovered evidence, claimed by the commissioner to show anticipation of plaintiff's process by a foreign patent, was insufficient to warrant requesting a remand.

Motion denied.

See also 95 F. Supp. 721.

1. Federal district court for District of Columbia would have jurisdiction to entertain commissioner of patent's motion requesting trial court to apply to court of appeals for remand for purpose of taking further testimony as to newly discovered evidence of foreign patent alleged to anticipate plaintiffs' process. Fed. Rules Civ. Proc. rule 59(b), 28 U. S. C. A.

2. In proceedings on commissioner of patent's motion requesting trial court to apply to court of appeals for remand for purpose of taking further testimony on plain-

tiffs' complaint for issuance of patent, newly discovered evidence relied upon by commissioner and alleged to show anticipation of plaintiffs' process by foreign patents was insufficient to warrant trial court in requesting remand. Fed. Rules Civ. Proc. rule 59(b), 28 U. S. C. A.

3. A foreign patent is to be measured as anticipatory not by what might have been made out of it but by what is clearly and definitely expressed in it, and an American patent is not anticipated by prior foreign patent, unless latter exhibits invention in such full, clear, and exact terms as to enable any person skilled in art to practice it without necessity of making experiments.

Albert L. Ely, Jr., Cleveland, Ohio, Ely & Frye, Cleveland, Ohio, Bacon & Thomas, Washington, D. C., for plaintiffs.

E. L. Reynolds, Solicitor, and Joseph Schimmel, Washington, D. C., for defendant.

KEECH, District Judge

This case is before the court on the defendant's motion requesting the trial court to apply to the Court of Appeals for remand. Defendant's motion is based on a claim of newly discovered evidence of which defendant was excusably ignorant, which by due diligence could not have been discovered in time to move for a new trial under Rule 59(b) of the Federal Rules of Civil Procedure, 28 U. S. C. A., and which defendant claims will show that plaintiffs' process neither attains a new result, nor exhibits the necessary quality of invention to entitle them to a patent.

The motion is supported by an affidavit by one Alexander Strobl, a manufacturer of luminescent colors and products, including fluorescent colors and fabrics, who

states that at the request of the attorney for Dazian's, Inc., a manufacturer and vendor of fabrics in New York City, he has "performed certain experiments following the exact descriptions and instructions in British patent No. 1939 of 1906 to Charles D. Abel," that his experiments have resulted in daylight fluorescent fabrics, and that he makes his affidavit "without any personal interests in the outcome of any litigation in order that the facts may be made known." Appended to Mr. Strobl's affidavit are four swatches of fabric which it is alleged are the results of his experiments, together with advertising material showing his company, Stroblite Company, to be a dealer in fluorescent products.[1]

Plaintiff opposes defendant's motion on two grounds: (1) that the motion for remand should have been addressed to the appellate court, this court being presently without jurisdiction of the case; and (2) that the affidavit of Mr. Strobl is an insufficient showing of newly discovered evidence to justify reopening the case in the trial court for the taking of further testimony.

The court has given most careful consideration to the motion and opposition thereto.

[1] As to jurisdiction of this court to entertain the motion to request remand, I find that the motion is properly before this court.[2] This is the practical view, since the trial court is familiar with the evidence adduced at the trial, and in a better position than the appellate court to evaluate the possible weight of the alleged newly discovered evidence, without reviewing the entire record.

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[1] This court rendered its decision granting issuance of patent to plaintiff on November 22, 1950. Mr. Strobl's affidavit is dated January 26, 1951, and does not disclose when he performed his experiments with the Abel patent.

[2] *Roemer v. Simon,* 91 U. S. 149, 23 L. Ed. 267.

[2] As to the merits of defendant's motion, I find that the newly discovered evidence claimed is insufficient to warrant requesting a remand.

[3] The Abel patent, now relied on as anticipation of plaintiff's process, is a foreign patent. "A foreign patent is to be measured as anticipatory, not by what might have been made out of it, but by what is clearly and definitely expressed in it. An American patent is not anticipated by a prior foreign patent, unless the latter exhibits the invention in such full, clear, and exact terms as to enable any person skilled in the art to practice it without the necessity of making experiments."[3]

Although Mr. Strobl states in his affidavit that he performed his experiments following the exact descriptions in the Abel patent, it is apparent on the face of the affidavit, by a comparison of his account of these experiments with the descriptions in the Abel patent, that he did not follow exactly the Abel descriptions.

As stated in Skelly Oil Co. v. Universal Oil Products Co., 3 Cir., 31 F. 2d 427, 431:

"* * * Inferences as distinguished from disclosures, especially when drawn in the light of after events, cannot be accepted as a basis of anticipation.

"A patent relied upon as an anticipation must itself speak. Its specification must give in substance the same knowledge and the same directions as the specification of the patent in suit. Otto v. Linford, 46 L. T. (N. S.) 35, 44. It is not enough to prove that a method or apparatus described in an earlier specification can be made to produce this or that result. Flour Oxidizing Co. v. Carr & Co., 35

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[3] *Carson v. American Smelting & Refining Co.*, 9 Cir., 4 F. 2d 463, 465. See also *In re Ek*, 57 App. D. C. 203, 19 F. 2d 677; *Becket v. Coe*, 69 App. D. C. 51, 98 F. 2d 332.

R. P. C. 457. A singularly sensible test of the rule of anticipation is given in British Thomson-Houston Co. v. Metropolitan Vickers Electrical Co., 45 R. P. C. 22, by asking the question—'Would a man who was grappling with the problem solved by the patent attacked, and having no knowledge of that patent, if he had had the alleged anticipation in his hand, have said: "That gives me what I wish?" ' "

One seeking a method of producing daylight fluorescent fabrics having no knowledge of the Switzer disclosure and finding the Abel patent could not have said: "This gives me what I wish."

For the foregoing reasons, defendant's motion to request remand will be denied. Counsel will present an appropriate order.

APPENDIX C.

Pertinent Statutes.

35 U. S. C. 63; R. S. 4915. Bill in equity to obtain patent.

Whenever a patent on application is refused by the Board of Appeals or whenever any applicant is dissatisfied with the decision of the board of interference examiners, the applicant, unless appeal has been taken to the United States Court of Customs and Patent Appeals, and such appeal is pending or has been decided, in which case no action may be brought under this section, may have remedy by bill in equity, if filed within six months after such refusal or decision; and the court having cognizance thereof, on notice to adverse parties and other due proceedings had, may adjudge that such applicant is entitled, according to law, to receive a patent for his invention, as specified in his claim or for any part thereof, *as the facts in the case may appear.* And such adjudication, if it be in favor of the right of the applicant, shall *authorize* the commissioner to issue such patent on the applicant filing in the Patent Office a copy of the adjudication and otherwise complying with the requirements of law. In all cases *where there is no opposing party* a copy of the bill shall be served on the commissioner; and *all the expenses of the proceedings shall be paid by the applicant, whether the final decision is in his favor or not.* In all suits brought hereunder where there are adverse parties the record in the Patent Office shall be admitted in whole or in part, on motion of either party, subject to such terms and conditions as to costs, expenses, and the further cross-examination of the witnesses as the court may impose, without prejudice, however, to the right of the parties to take further testimony. The testimony and exhibits, or parts thereof, of the record in the Patent Office when admitted shall have the

same force and effect as if originally taken and produced in the suit. (Emphasis supplied.)

28 U. S. C. 1912 [Judicial Code]. Damages and costs on affirmance.

Where a judgment is affirmed by the Supreme Court or a court of appeals, the court in its discretion may adjudge to the prevailing party just damages for his delay, and single or double costs.

5 U. S. C. 1008 (d) [Administrative Procedure Act]. Relief Pending Review.

Pending judicial review, any agency is authorized, where it finds that justice so requires, to postpone the effective date of any action taken by it. Upon such conditions as may be required and to the extent necessary to prevent irreparable injury, every reviewing court (including every court to which a case may be taken on appeal from or upon application for certiorari or other writ to a reviewing court) is authorized to issue all necessary and appropriate process to postpone the effective date of any agency action or to preserve status or rights pending conclusion of the reviewing proceedings.